

Aer Lingus 
Great Care. Great Fare.

Reject Ryanair's Offer



Do not complete any form of acceptance

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Certain terms used in this document, including certain technical and other items, are defined and explained in Appendix II (Definitions) and Appendix III (Glossary of technical terms). The sources and bases for information in this document are set out in Appendix IV (Presentation of information, bases and sources) of this document.



Ryanair's Offer is not in the interests of the shareholders of Aer Lingus



Ryanair's first Offer was prohibited in 2007 on competition grounds, and the reasons for prohibition are now even stronger than before



Our strategy is working
Aer Lingus is a strong and profitable business



Ryanair's Offer fundamentally undervalues Aer Lingus



Reject Ryanair's Offer

Do not complete any form of acceptance



Aer Lingus Group plc
Aer Lingus Head Office
Dublin Airport
Co Dublin
Ireland

From the Chairman

31 July 2012

Dear fellow shareholder

Your Board unanimously recommends that you reject Ryanair's Offer of €1.30 per share.

The Ryanair Offer is conditional on receiving merger approval from the European Commission. Your Board has received legal advice that the reasons for prohibition are even stronger now than they were when Ryanair's first offer was prohibited by the European Commission in 2007. Your Board's unanimous view is that Ryanair's Offer to acquire control of Aer Lingus for €1.30 per share fundamentally undervalues Aer Lingus.

Take no action and do not complete any Form of Acceptance.

Ryanair's first offer was prohibited in 2007 on competition grounds, and the reasons for prohibition are now even stronger than before

Your Board has received legal advice that the European Commission is likely once more to prohibit the Ryanair Offer as the number of routes into and out of Ireland that Ryanair would monopolise has sharply increased.

In 2007, the European Commission prohibited Ryanair's bid for Aer Lingus because of the dominance that Ryanair would obtain. Your Board has received legal advice that there is no reason to believe the European Commission would change its view given the increase in route overlap between Ryanair and Aer Lingus since 2007. Ryanair has not laid out for Aer Lingus shareholders details of the remedies that it claims would persuade the European Commission to give clearance, which only serves to increase the uncertainty around this Offer.



The chart below illustrates the increased overlap today as compared to 2007 on routes being served from Dublin, Cork, Shannon and Knock. This increase in overlap also highlights the dynamic competition between Aer Lingus and Ryanair in entering new routes and vigorously competing head-to-head. There were 35 routes which overlapped between Aer Lingus and Ryanair in 2007 and this number has increased to 50 routes in 2012. In 2007, Aer Lingus and Ryanair were the only operators on 22 of these overlapping routes and this number has doubled to 44 routes in 2012.

Route overlap analysis			
	2007		2012 ²
Overlap routes			
Dublin	32		36
Cork	2		10
Shannon	1		2
Knock	0		2
Total overlap routes¹	35		50
Overlap routes with no other operator	22		44
Combined market share on overlap routes³			
Dublin	85%		90%
Shannon	100%		100%
Cork	92%		100%
Knock	-		100%

¹ Based on city pairs in line with practice of the European Commission

² Includes Aer Lingus Regional

³ Market share based on available capacity

In 2007 Ryanair was willing to give away many of the Aer Lingus slots at Heathrow Airport as part of a remedy package, and it may now offer this again. This could jeopardise both future competition and connectivity from Ireland via Heathrow, as some airlines interested in securing valuable Heathrow slots may commit to operate them on routes to Ireland for a limited period of time only, re-directing them when this time expires. It would, in any event, do nothing to protect competition on some 46 non-Heathrow routes out of Ireland.

For the reasons outlined above, your Board believes that the competition issues are so serious that Ryanair's Offer is not capable of completion and is, therefore, not a credible Offer.

In addition, the UK Competition Commission is continuing to investigate the anti-competitive effects of Ryanair's 29.82 per cent. stake in Aer Lingus, despite Ryanair's repeated and ongoing attempts to stop both this investigation and the previous UK Office of Fair Trading investigation. The UK Competition Commission has confirmed that it is proceeding with its investigation and that it is doing so in co-operation with the European Commission. The UK Competition Commission has the power to order a sell-down of Ryanair's shareholding and your Board has received legal advice that it is likely to require Ryanair to sell-down its current stake.

Your Board remains strongly of the view that Ryanair's minority shareholding is damaging to Aer Lingus and its other shareholders.



Our strategy is working – Aer Lingus is a strong and profitable business

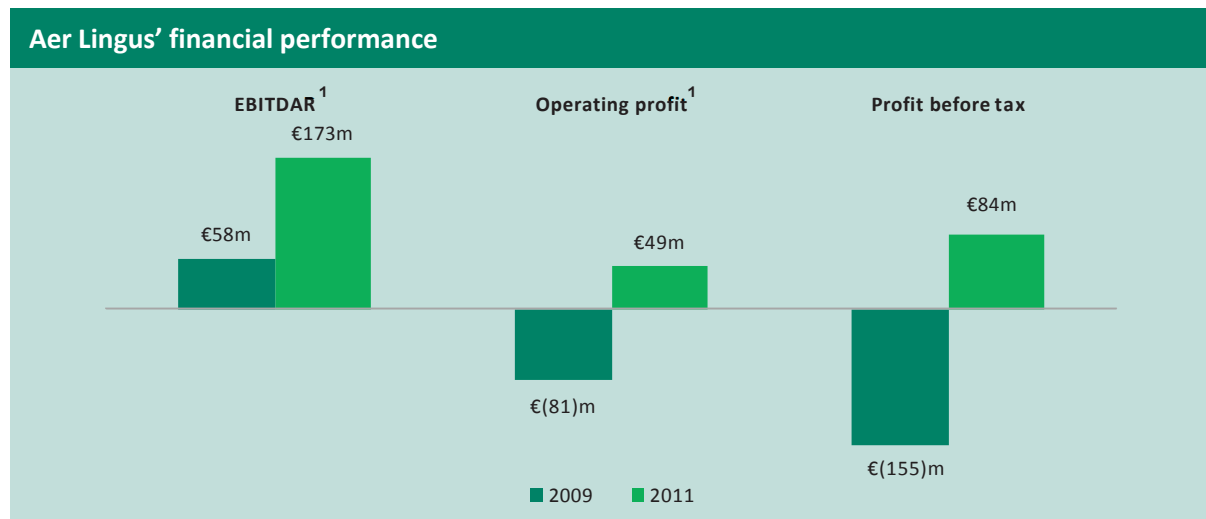
Our strategy is working. We have re-engineered our business model, focussing on revenue management, imposing cost discipline and driving a recovery in profitability and performance.

Since 2009, Aer Lingus' new management team has delivered significant and successful change by repositioning our operating model to a demand-led value carrier with cost efficient network extensions through partnerships and code shares.

Due to its relentless focus on cost, Aer Lingus is transforming into a leaner, more efficient business. Since 2009 Greenfield programme savings of €95.8 million have been delivered and we are on track to achieve our targeted cost savings.

This has resulted in a significant improvement in operational and financial performance driving a turnaround in operating result since 2009 of approximately €130 million.

In 2011, as demonstrated in the chart below, we delivered another year of strong profitability in a tough economic environment, resulting in an operating profit, before net exceptional items, of €49.1 million.



Source: 2011 preliminary results presentation

¹ Before net exceptional items

Aer Lingus' business is seasonal and typically loss making in the first half and profitable in the second half of the year which reflects the peak travel period in the summer months. Today Aer Lingus released its results for the six months ended 30 June 2012 reporting an operating loss, before net exceptional items, of €4.4 million representing a significant improvement on the €26.8 million operating loss, before net exceptional items, for the comparable period in 2011. Revenues are up 10.1 per cent. on 2011, with mainline passenger numbers up 3.4 per cent. and average yields up 6.3 per cent., with long haul being particularly strong. Total revenues were €57.2 million higher than 2011, fuel costs were up €38.3 million with other costs overall in line with last year. Gross cash was €1,049.9 million and debt €572.2 million at 30 June 2012. If current trends continue, Aer Lingus' operating profit, before net exceptional items, for 2012 will be at least that achieved in 2011 (€49.1 million).

On 4 May 2012 Aer Lingus announced a change to its dividend policy and today paid a dividend of 3 cent per share, illustrating the Board and management team's commitment to building shareholder value.



Unlike the clear strategy that the Aer Lingus management team has set out and is delivering upon, Ryanair has not comprehensively disclosed its intentions regarding the future business and strategy of Aer Lingus.

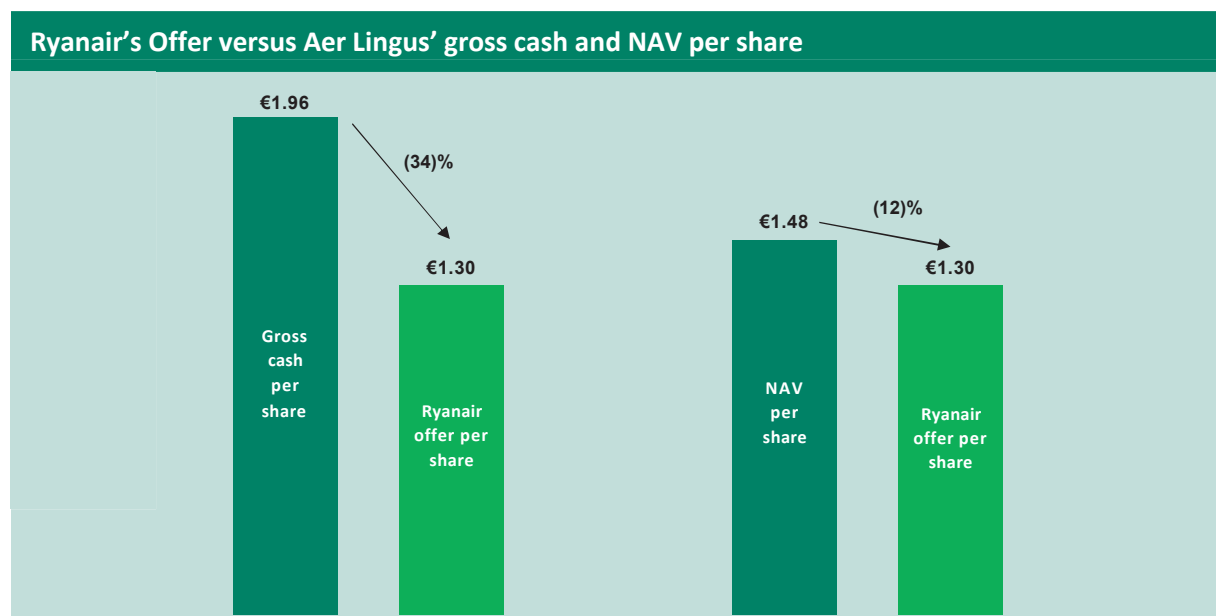
The Aer Lingus management team has proved that it can deliver in a difficult economic environment and the management team is committed to its strategy and to building the business in the future.

Ryanair's Offer fundamentally undervalues Aer Lingus

Aer Lingus is a robust and profitable airline with a proven business model, a strong balance sheet and an internationally recognised brand. Aer Lingus owns valuable assets, has over €1 billion of gross cash, is increasing its revenues and is engaged in ongoing cost saving initiatives, all of which are delivering enhanced and sustained profitability. Ryanair's Offer to acquire control of the Company for €1.30 per share fundamentally undervalues Aer Lingus and represents a significant discount to the intrinsic value of the business.

Ryanair's Offer of €1.30 per Aer Lingus share represents:

- A discount of 34 per cent. to Aer Lingus' gross cash per share of €1.96 (total €1,049.9 million)
 - the gross cash on Aer Lingus' balance sheet more than pays for Ryanair's offer
- A discount of 12 per cent. to Aer Lingus' Net Asset Value per share of €1.48 based on the NAV shown in the 30 June 2012 balance sheet
 - this NAV does not attribute any value to either our attractive slot portfolio or brand
- A 2011 adjusted EV/EBITDAR multiple of 4.2x, a 30 per cent. discount to the average trading multiple of Aer Lingus' traded peers of 6.0x



Source: 2012 First Half Results

Ryanair's Offer attributes no value to the valuable slots that the Group holds at London Heathrow, New York JFK and Dublin airports nor to the partnership and code sharing arrangements Aer Lingus enjoys with other airlines.



Reject Ryanair's Offer

Your Board believes that Ryanair's Offer is not in the interests of the shareholders of Aer Lingus.

Your Board believes that this Offer will be prohibited by the European Commission on competition grounds. We have received legal advice that there is an even stronger case for prohibition this time than existed at the time of Ryanair's first failed Offer.

Our strategy is working and Aer Lingus is a strong and profitable business.

Your Board, which has been so advised by Rothschild, Goodbody Corporate Finance and UBS Limited, believes that Ryanair's Offer fundamentally undervalues Aer Lingus. In providing advice to the Board, Rothschild, Goodbody Corporate Finance and UBS Limited have relied upon the commercial assessments of the Board.

Accordingly, your Board unanimously recommends that you reject the Offer by taking no action. You should not sign any document that Ryanair or its advisers send to you. Your Directors will not be accepting the Offer in respect of their own beneficial holdings of Aer Lingus shares.

The issues are simple and our recommendation is clear.

The way to reject the Offer is to [take no action](#).

Yours faithfully,

Colm Barrington
Chairman



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Appendix I

Additional information

1. Responsibility

The Directors, whose names are set out in paragraph 3 below, accept responsibility for the information contained in this document, except that the only responsibility accepted by them in respect of the information contained in this document relating to Ryanair or any of its subsidiary undertakings and the directors of any such entity or persons connected with them, which has been compiled from published sources, is to ensure that such information has been correctly and fairly reproduced and presented. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Opinion of Aer Lingus board on Ryanair's intentions towards Aer Lingus and its employees

As required by the Takeover Rules, the Board's views on the effects of implementation of the Offer on Aer Lingus' interests (including, specifically, employment), and on Ryanair's strategic plans for Aer Lingus and the likely repercussions of such plans on employment and on the locations of Aer Lingus' places of business, are set out below.

Until Ryanair reveals its remedy package, the following views are only a preliminary analysis of Ryanair's strategic plans for Aer Lingus and the likely repercussions of such plans on employment and on the locations of Aer Lingus' places of business. Moreover, any remedy package which Ryanair may offer to the European Commission involving Aer Lingus assets has significant legal uncertainties in circumstances where Ryanair does not obtain acceptances for its Offer from shareholders holding at least 90% of the issued share capital of Aer Lingus.

A. Aer Lingus' employees

Although Ryanair has stated that it expects to continue to safeguard the existing employment rights of the management and employees in accordance with statutory requirements, your Board believes that Ryanair would seek to impose significant changes to Aer Lingus' existing employment arrangements, with the vast majority of its promised cost cutting coming from the Aer Lingus payroll, which is implied by Ryanair themselves in the statement "revised conditions of employment may need to be negotiated." Your Board believes that Ryanair's promise of lower unit costs will have an adverse effect on the terms and conditions of employment for existing employees. Furthermore, Ryanair has no experience of managing, and has historically demonstrated a hostile attitude towards, a unionised workforce in Ireland.

B. Connectivity and future growth of Aer Lingus

Aer Lingus continues to grow its business through successful partnerships and code-shares. Partnerships with Aer Arann, British Airways (IAG), Air France - KLM, United Airlines and JetBlue Airways all helped to contribute to an increase in inter-line passenger volumes of 13.9% in 2011. Such arrangements are critical to the successful operation of a network carrier and the future growth of Aer Lingus. Ryanair has no experience of working in partnership with other airlines nor does it have any track record of operating a long haul business model, thereby raising questions as to how Ryanair plans to grow passenger numbers to 14m. Aer Lingus' mission of connecting Ireland to the world and providing passengers with value-for-money and superior service will be diminished if Ryanair succeeds with its Offer.

C. Ryanair's "Dual Branding" strategy

Ryanair has stated its intention to maintain both the Ryanair and Aer Lingus brands. The Board agrees with the European Commission's determination in the Commission Prohibition Decision that "by operating a dual branding strategy, Ryanair would be able to exploit its market power by charging higher prices to customers with a willingness to pay higher prices through the Aer Lingus brand and lower prices to more price sensitive customers through the Ryanair brand".

D. Focus on cost reduction

Ryanair has said that it will encourage Aer Lingus to lower unit costs and review its route network. We do not need such encouragement from Ryanair. Since 2009, Aer Lingus' current management team has focused relentlessly on cost reduction and active route management, transforming Aer Lingus into a leaner, more efficient business. This focus on cost is critical to Aer Lingus and will continue beyond completion of the existing Greenfield programme. In addition, your Board believes that by acquiring control of Aer Lingus, its only large Ireland-based competitor, Ryanair

will have no incentive to pass on any cost savings and synergies to the travelling public, instead keeping them to itself while the traveling consumer faces higher prices and fewer choices in air travel.

E. Aer Lingus' fixed assets

Your Board notes that Ryanair states that it does not intend to redeploy any of Aer Lingus' fixed assets subject to any remedies agreed with the Competition authorities. This is a significant caveat as it recognises that some of Aer Lingus' fixed assets may/will be redeployed for the purposes of any such remedies. Until such remedy package is known, there is significant uncertainty as to what Ryanair will actually do with Aer Lingus' fixed assets as well as significant legal uncertainty as to whether any remedy package involving Aer Lingus' fixed assets is capable of implementation.

3. Directors

The Directors and their respective positions are as follows:

Name	Position
Colm Barrington	Chairman
Christoph Mueller	Chief Executive Officer
Andrew Macfarlane	Chief Financial Officer
David Begg	Non-Executive Director
Montie Brewer	Non-Executive Director
Laurence Crowley	Non-Executive Director
Mella Frewen	Non-Executive Director
Danuta Gray	Non-Executive Director
Francis Hackett	Non-Executive Director
Colin Hunt	Non-Executive Director
Thomas Moran	Non-Executive Director
Nicola Shaw	Non-Executive Director

The registered office of the Company and the business address of each of the Directors is Aer Lingus Head Office, Dublin Airport, County Dublin, Ireland.

4. Interests, short positions and dealings in Aer Lingus securities

For the purposes of this paragraph 4:

- (i) **acting in concert** means:
 - a) persons who co-operate on the basis of an agreement, either express or tacit, either oral or written, aimed at acquiring control of the offeree company or at frustrating the successful outcome of the bid; and
 - b) for the purposes of the Takeover Rules, certain persons are deemed or presumed to be acting in concert
- (ii) **arrangement** means any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, between two or more persons relating to relevant securities which may be an inducement to deal or refrain from dealing in such securities;
- (iii) **associate** of a company (being for the purposes of this definition Aer Lingus) means:
 - a) the holding company or a subsidiary of that company, or a subsidiary of the holding company of that company;
 - b) an associated company of that company or of an associate described in paragraph (a) above (for this purpose, a company is deemed to be an "**associated company**" of another company if that company owns or controls 20 per cent or more of the equity share capital of the first-mentioned company);
 - c) a company of which that company or an associate described in paragraphs (a) or (b), above is an associated company;
 - d) a bank or financial or other professional adviser (including a stockbroker) which is acting in relation to the Offer or for an associate of the company described in paragraphs (a), (b) or (c) of the definition of "associate" above (not being a bank which is only providing normal commercial

banking services or activities such as registration work), provided that, in the case of an adviser which is a partnership, only those partners and professional staff actively engaged in relation to the Offer or who are customarily engaged in the affairs of the relevant client or who have engaged in these offices within two years prior to the start of the relevant offer period shall be deemed associates of the company (each a “**connected adviser**”);

- e) persons controlling, controlled by or under the same control as a company’s connected advisers;
 - f) (i) the Board and the directors of any associate of the company described in paragraphs (a), (b) or (c) of the definition of “associate” above; (ii) the spouse, parent, brother, sister or child of any such director; (iii) a trustee of a trust (including a discretionary trust) of which any such director or any such member of her/his family is a beneficiary or a potential beneficiary; or (iv) a company controlled by any one or more such directors, such members of their families and the trustees of all such trusts;
 - g) a trustee of any pension scheme (other than an industry-wide scheme) in which the company or any company described in paragraphs (a), (b) or (c) of the definition of “associate” above participates;
 - h) a collective investment scheme or other person the investments of which the company or any associate of the company manages on a discretionary basis, in respect of the relevant investment accounts;
 - i) a person who is interested, or together with one or more persons acting in concert with that person is interested, in 5% or more of any class of relevant securities of the company;
 - j) a party to an arrangement with the company or an associate of the company in respect of relevant securities;
 - k) a person who has a material business relationship with the company; or
 - l) a person (not covered by paragraphs (a) to (k) above) who is interested or deals in relevant securities of the company and has, in addition to that person’s normal interest as an investor in securities, an interest or potential interest, whether commercial, financial or personal, in the outcome of the Offer.
- (iv) **control** means the holding, whether directly or indirectly, of securities in a company that confer in aggregate 30 per cent. or more of the voting rights in that company;
 - (v) **derivative** includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
 - (vi) **disclosure date** means 26 July 2012, being the latest practicable date before the posting of this document;
 - (vii) **disclosure period** means the period commencing on 19 June 2011 (being the date 12 months before the commencement of the Offer Period) and ending on the disclosure date;
 - (viii) **exempt fund manager** means a discretionary fund manager which has been recognised by the Irish Takeover Panel as an exempt fund manager for the purposes of the Irish Takeover Rules, has been notified in writing of that fact by the Irish Takeover Panel and has not been notified by the Irish Takeover Panel of the withdrawal of such recognition; and
 - (ix) **exempt market maker** means a person who, in relation to the securities concerned, is registered as a market-maker in those securities with the London Stock Exchange Limited or is accepted by the Panel on Takeovers and Mergers as a market-maker in those securities and who, in either case, has been recognised by the Irish Takeover Panel as an exempt market-maker for the purposes of these Rules, has been notified in writing of that fact by the Panel and has not been notified by the Panel of the withdrawal of such recognition.
 - (x) **interest in or interested in** a relevant security means:
 - a) for the purpose of determining whether a person has an “interest in a relevant security” or is “interested in a relevant security”:
 - (i) that person shall be deemed to have an “interest”, or to be “interested”, in a relevant security if and only if he or she has a long position in that security; and
 - (ii) a person who has only a short position in a relevant security shall be deemed not to have an interest, nor to be interested, in that security.
 - b) **Long position** and **short position**:
 - (i) A person shall be deemed to have a long position in a relevant security for the purposes of paragraph (a) if he or she directly or indirectly:
 - 1) owns that security; or

- 2) has the right or option to acquire that security or to call for its delivery; or
- 3) is under an obligation to take delivery of that security; or
- 4) has the right to exercise or control the exercise of the voting rights (if any) attaching to that security,

or to the extent that none of sub-paragraphs (1) to (4) above applies to that person, if he or she:

- 5) will be economically advantaged if the price of that security increases; or
- 6) will be economically disadvantaged if the price of that security decreases,

irrespective of:

- (A) how any such ownership, right, option, obligation, advantage or disadvantage arises and including, for the avoidance of doubt and without limitation, where it arises by virtue of an agreement to purchase, option or derivative; and
- (B) whether any such ownership, right, option, obligation, advantage or disadvantage is absolute or conditional and, where applicable, whether it is in the money or otherwise,

provided that a person who has received an irrevocable commitment to accept an offer (or to procure that another person accept an offer) shall not, by virtue only of sub-paragraph (2) or (3) above, be treated as having an interest in the relevant securities that are the subject of the irrevocable commitment;

- (ii) A person shall be deemed to have a short position in a relevant security for the purposes of paragraph (a) if he or she directly or indirectly:

- 1) has the right or option to dispose of that security or to put it to another person; or
- 2) is under an obligation to deliver that security to another person; or
- 3) is under an obligation either to permit another person to exercise the voting rights (if any) attaching to that security or to procure that such voting rights are exercised in accordance with the directions of another person,

or to the extent that none of sub-paragraphs (1) to (3) above applies to that person if he or she:

- 4) will be economically advantaged if the price of that security decreases; or
- 5) will be economically disadvantaged if the price of that security increases,

irrespective of:

- (A) how any such right, option, obligation, advantage or disadvantage arises and including, for the avoidance of doubt and without limitation, where it arises by virtue of an agreement to sell, option or derivative; and
- (B) whether any such right, option, obligation, advantage or disadvantage is absolute or conditional and, where applicable, whether it is in the money or otherwise;

- (xi) **relevant Ryanair securities** means:

- a) equity share capital of Ryanair; and
- b) securities or any other instruments of Ryanair conferring on their holders rights to convert into or to subscribe for equity share capital of Ryanair;

- (xii) **relevant Aer Lingus securities** means:

- a) ordinary shares in Aer Lingus;
- b) equity share capital of Aer Lingus; and
- c) securities or any other instruments of Aer Lingus conferring on their holders rights to convert into or to subscribe for ordinary shares in or equity share capital of Aer Lingus;

- (xiii) **relevant period** means the period commencing on 19 June 2012 (being the date on which the Offer Period commenced) and ending on the disclosure date; and

- (xiv) **relevant securities** means relevant Aer Lingus securities or relevant Ryanair securities, as appropriate, and relevant security shall be construed appropriately.

- 4.1. As at the Latest Practicable Date, the Board (including persons connected to them within the meaning of Chapter I Part IV of the 1990 Act) were interested in the following relevant Aer Lingus securities (excluding options and other awards which are disclosed in paragraph 4.2 below):

Name	Number of Aer Lingus Securities
Colm Barrington	200,000
Christoph Mueller	505,000
Andrew Macfarlane	35,000
David Begg	500
Montie Brewer	0
Laurence Crowley	0
Mella Frewen	0
Danuta Gray	23,863
Francis Hackett	9,544
Colin Hunt	5,000
Thomas Moran	40,000
Nicola Shaw	23,945

- 4.2. As at the Latest Practicable Date, the following options or awards over Aer Lingus Shares have been granted to the following Aer Lingus Directors (including persons connected to them within the meaning of Chapter I Part IV of the 1990 Act) and remain outstanding:

Share Options

Name	Number of Aer Lingus Securities under option	Closing market price and relevant date for option to become exercisable ¹	Exercise price	Expiry date
Christoph Mueller	500,000	€1.00 7 September 2012	€0.573	07 September 2019
Christoph Mueller	500,000	€1.60 7 September 2013	€0.677	07 September 2019
Christoph Mueller	500,000	€2.20 7 September 2014	€0.886	07 September 2019

¹ Exercise of the options is subject to achieving the closing market share prices (as set out in the third column), for at least 25 of the 40 days prior to the relevant dates noted.

Long Term Incentive Plan ("LTIP") Awards¹

Name	LTIP Award	Year	Performance Period
Christoph Mueller	450,664	2010	1 January 2010 – 31 December 2012
	600,000	2011	1 January 2011 – 31 December 2013
	490,000	2012	1 January 2012 – 31 December 2014
Andrew Macfarlane	407,970	2010	1 January 2010 – 31 December 2012
	500,000	2011	1 January 2011 – 31 December 2013
	440,000	2012	1 January 2012 – 31 December 2014

¹ The LTIP is a share based long-term performance award scheme which provides for the vesting of shares subject to the achievement of minimum performance objectives, as specified by the Remuneration Committee. In order to promote the long term sustainability of the Company, the performance conditions are measured over a three-year period and are linked to the Company's long term value creation. Any vesting of these shares is subject to the achievement of performance targets outlined in Aer Lingus' Annual Report 2011.

- 4.3. As at the Latest Practicable Date, other than as set out in paragraph 4.1 and 4.2 above, no Directors was interested, or held any short positions, in any relevant Aer Lingus securities.
- 4.4. As at the Latest Practicable Date, subsidiaries or associated companies of the Company and/or the trustees of a pension scheme (other than an industry-wide scheme) in which the Company or a subsidiary of the Company participates were interested in the following relevant Aer Lingus securities:

Name	Number of Aer Lingus Securities
Aer Lingus ESOP Trustee Limited	127,775
Irish Airlines (Pilots) Superannuation Scheme	12,024,980
ALG Trustee Limited	3,946,658

4.5. As at the Latest Practicable Date, other than as set out in paragraph 4.4 above no subsidiaries or associated companies of the Company or trustees of a pension scheme (other than an industry-wide scheme) in which the Company or a subsidiary of the Company participates was interested, or held any short positions, in any relevant Aer Lingus securities.

4.6. As at the Latest Practicable Date, Goodbody Stockbrokers and Goodbody Corporate Finance and persons controlling, controlled by or under the same control as Goodbody Stockbrokers and Goodbody Corporate Finance, (excluding exempt market-makers) were interested in the following relevant Aer Lingus securities:

Name	Number of Aer Lingus Securities
Goodbody Stockbrokers Nominees Limited	1,001,118

4.7. As at the Latest Practicable Date, other than as set out in paragraph 4.6 above neither Goodbody Stockbrokers or Goodbody Corporate Finance nor persons controlling, controlled by or under the same control as Goodbody Stockbrokers or Goodbody Corporate Finance, (excluding exempt market-makers) was interested, or held any short positions, in any relevant Aer Lingus securities.

4.8. As at the Latest Practicable Date, neither Rothschild nor persons controlling, controlled by or under the same control as Rothschild, (excluding exempt market-makers) was interested, or held any short positions, in any relevant Aer Lingus securities.

4.9. As at the Latest Practicable Date, neither UBS Limited nor persons controlling, controlled by or under the same control as UBS Limited, (excluding exempt market-makers) was interested, or held any short positions, in any relevant Aer Lingus securities.

4.10. As at the Latest Practicable Date, no partner or member of the professional staff of Arthur Cox (Irish legal advisers to Aer Lingus) actively engaged in relation to the Offer or customarily engaged in the affairs of Aer Lingus or engaged in those affairs since 19 June 2011 was interested, or held any short positions, in any relevant Aer Lingus securities.

4.11. As at the Latest Practicable Date, no partner or member of the professional staff of PricewaterhouseCoopers (Aer Lingus' auditors) actively engaged in relation to the Offer or customarily engaged in the affairs of Aer Lingus or engaged in those affairs since 19 June 2011 was interested, or held any short positions, in any relevant Aer Lingus securities.

4.12. As at the Latest Practicable Date, no fund manager (other than an exempt fund manager) connected with Aer Lingus was interested, or held any short positions, in any relevant Aer Lingus securities.

4.13. Save as disclosed in this document, neither Aer Lingus nor, so far as the Aer Lingus Directors are aware, any associate (by virtue of paragraphs (a) to (g) of the definition of "associate") of Aer Lingus has any arrangement with any other person in relation to relevant Aer Lingus securities.

4.14. As at the Latest Practicable Date, no person(s) with whom an arrangement relating to relevant Aer Lingus securities is in place with the Company or, so far as the Aer Lingus Directors are aware, an associate (by virtue of paragraphs (a) to (g) of the definition of "associate") of the Company, was interested, or held any short positions, in any relevant Aer Lingus securities.

4.15. As at the Latest Practicable Date, other than as set out in sections 4.1 to 4.14, no person whose interests are required to be disclosed by the Company under the Takeover Rules, was interested, or held any short positions, in any relevant Aer Lingus securities.

4.16. During the disclosure period Aer Lingus has not redeemed or repurchased any relevant Aer Lingus securities.

- 4.17. The dealings during the disclosure period in relevant Aer Lingus securities by Aer Lingus Directors or persons connected with them (within the meaning of Chapter I Part IV of the 1990 Act) were as follows:

Name	Date of Dealing	Nature of Transaction	Number of Aer Lingus Securities	Price Paid (€)
Christoph Mueller	1 September 2011	Acquisition	380,000	Nil ¹

¹ Vesting of the 7 September 2009 share award in respect of 500,000 shares in favour of Christoph Mueller and the sale by ALG Trustee Limited of 120,000 of these shares for the purposes of partially funding an immediate tax liability of Christoph Mueller in respect of the share award. The price per share in respect of the shares disposed of was €0.64. Accordingly, the balance of 380,000 shares held by ALG Trustee Limited were transferred to Christoph Mueller.

- 4.18. Dealings for value in relevant Aer Lingus securities by subsidiaries or associated companies of the Company, or by the trustees of a pension scheme (other than an industry-wide scheme) in which the Company or a subsidiary of the Company participates during the disclosure period were as follows:

Name	Date of Dealing	Nature of Transaction	Number of Aer Lingus Securities	Price Paid (€)
ALG Trustee Limited	1 September 2011	Disposal	120,000	€0.64 ¹

¹ This disposal relates to the vesting of Christoph Mueller's share aware disclosed in paragraph 4.17 above.

- 4.19. Dealings for value in Aer Lingus Securities by persons referred to in 4.6 to 4.11 during the relevant period were as follows:

Dealings by discretionary clients of Goodbody Stockbrokers

Name	Date of Dealing	Nature of Transaction	Number of Aer Lingus Securities	Price Paid (€)
Goodbody Stockbrokers Nominees Limited	20 June 2012	Sell	18,204	1.12

Dealings by Goodbody Stockbrokers own account

Name	Date of Dealing	Nature of Transaction	Number of Aer Lingus Securities	Price Paid (€)
Goodbody Stockbrokers Nominees Limited	20 June 2012	Sell	7,000	1.12
Goodbody Stockbrokers Nominees Limited	20 June 2012	Sell	1,874	1.14
Goodbody Stockbrokers Nominees Limited	20 June 2012	Sell	54,996	1.15
Goodbody Stockbrokers Nominees Limited	20 June 2012	Sell	2,004	1.15
Goodbody Stockbrokers Nominees Limited	20 June 2012	Sell	27,500	1.16

- 4.20. Neither UBS Limited nor persons controlling, controlled by or under the same control as UBS Limited, (excluding exempt market-makers) dealt for value in relevant Aer Lingus securities during the relevant period.
- 4.21. Neither Rothschild nor persons controlling, controlled by or under the same control as Rothschild, (excluding exempt market-makers) dealt for value in relevant Aer Lingus securities during the relevant period.
- 4.22. No partner or member of the professional staff of Arthur Cox (Irish legal advisers to Aer Lingus) actively engaged in relation to the Offer or customarily engaged in the affairs of Aer Lingus or engaged in those affairs since 19 June 2010 dealt for value in relevant Aer Lingus securities during the relevant period.
- 4.23. No partner or member of the professional staff of PricewaterhouseCoopers (Aer Lingus' auditors) actively engaged in relation to the Offer or customarily engaged in the affairs of Aer Lingus or engaged in those affairs since 19 June 2010 dealt for value in relevant Aer Lingus securities during the relevant period.
- 4.24. There were no dealings for value in relevant Aer Lingus securities by a fund manager (other than an exempt fund manager) connected with Aer Lingus during the relevant period.
- 4.25. As at the Latest Practicable Date, other than as set out above in sections 4.17 to 4.24, there were no dealings in relevant Aer Lingus securities which the Company is required to disclose under the Takeover Rules.

5. Interests, short positions and dealings in Ryanair Securities

- 5.1. As at the Latest Practicable Date, the Company was not interested in, nor did it hold any short positions, in any relevant Ryanair securities.
- 5.2. As at the Latest Practicable Date, no Aer Lingus Directors (including persons connected to them within the meaning of Chapter I Part IV of the 1990 Act) were interested in, nor did they hold any short positions, in any relevant Ryanair securities:
- 5.3. As at the Latest Practicable Date, other than as set out in section 5.2 above no Director was interested, or held any short position, in any relevant Ryanair securities.
- 5.4. There were no dealings for value in Ryanair Securities by the Company during the disclosure period.
- 5.5. There were no dealings for value in Ryanair Securities by Aer Lingus Directors during the disclosure period.
- 5.6. As at the Latest Practicable Date, other than as set out above in sections 5.4 and 5.5 there were no dealings in Ryanair Securities which the Company is required to disclose under the Takeover Rules.

6. Directors' service contracts

None of the Directors has a service contract with the Company or its subsidiaries or associated companies with more than 12 months to run (as such expression is defined in the Takeover Rules).

7. Material contracts

There have been no contracts entered into by the Company or any member of the Group during the period commencing on 19 June 2010 (being the date two years before the commencement of the Offer Period) and ending on the Latest Practicable Date which are or may be outside the ordinary course of business and which are considered material.

8. Consents

- 8.1. Rothschild has given and not withdrawn its written consent to the issue of this document including the references to its name in the form and context in which they appear.
- 8.2. Goodbody Corporate Finance has given and not withdrawn its written consent to the issue of this document including references to its name in the form and context in which they appear.
- 8.3. Goodbody Stockbrokers has given and not withdrawn its written consent to the issue of this document including references to its name in the form and context in which they appear.
- 8.4. UBS Limited has given and not withdrawn its written consent to the issue of this document including the references to its name in the form and context in which they appear.
- 8.5. PricewaterhouseCoopers has given and not withdrawn its written consent to the issue of this document including the references to its name in the form and context in which they appear.

9. General

- 9.1. Neither the contents of Aer Lingus' website nor any other website referred to in this document form part of this document.
- 9.2. This document has been prepared in accordance with the requirements of the Takeover Rules and is subject to disclosure and procedural requirements that are different from those under US law. Any financial figures included or incorporated in this document may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of a US company. This document has not been reviewed by any federal or state securities commission or regulatory authority in the US, nor has any such commission or authority passed upon the accuracy or adequacy of this document. Any representation to the contrary is unlawful and may be a criminal offence.
- 9.3. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Aer Lingus, Goodbody Corporate Finance or Rothschild or UBS Limited. Neither the publication of this document nor any transactions made on the basis hereof shall, under any

circumstances, create an implication that there has been no change in the affairs of Aer Lingus since the date hereof or that the information herein is correct as of any time subsequent to its date.

10. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland for so long as the Offer remains open for acceptance:

- 10.1. the Memorandum and Articles of Association of the Company;
- 10.2. the published audited consolidated accounts of the Company for the two financial years ended 31 December 2010 and 31 December 2011, respectively;
- 10.3. the report set out in Appendix V and the consent letters of PricewaterhouseCoopers, Goodbody Corporate Finance, Rothschild and UBS Limited to the issue of this document with their report in the form and context in which it is included;
- 10.4. the report set out in Appendix VI and the consent letters of PricewaterhouseCoopers, Goodbody Corporate Finance, Rothschild and UBS Limited to the issue of this document with their report in the form and context in which it is included;
- 10.5. the written consents referred to in paragraph 8 above;
- 10.6. the reports, letters, valuations or other documents any part of which is exhibited or referred to in this document;
- 10.7. copies of each document sent to shareholders of the Company in relation to the Offer and all other announcements which have been made relating to the Offer and are required to be placed on display pursuant to Rule 26(a) of the Takeover Rules; and
- 10.8. a copy of this document.

APPENDIX II

Definitions

“1963 Act”	means the Companies Act 1963 of Ireland
“1990 Act”	means the Companies Act 1990 of Ireland
“2011 Preliminary Results Announcement”	means the Aer Lingus ISE “Preliminary statement of annual results” announcement dated 28 February 2012 for the financial year ending 31 December 2011
“Aer Lingus” or the “Group”	means Aer Lingus Group plc and its subsidiary undertakings
“Aer Lingus securities”	means any or all of Aer Lingus Shares, equity share capital of Aer Lingus, Aer Lingus securities conferring on their holders rights to convert into or subscribe for any of the foregoing securities and options in respect of, and derivatives referenced to, any of the foregoing securities
“Aer Lingus Shares”	means the ordinary shares of €0.05 each in the capital of the Company
“Australia”	means the Commonwealth of Australia, its possessions, territories and all areas subject to its jurisdiction and political subdivisions thereof
“Board” or the “Aer Lingus Directors” or the “Directors”	means the board of directors of the Company from time to time
“Canada”	means Canada, its provinces and territories
“Commission Prohibition Decision”	means the European Commission Prohibition Decision of 27 June 2007, C(2007) 3104
“Company”	means Aer Lingus Group plc, a public limited company incorporated in Ireland with registered number 211168 and whose registered office is at Dublin Airport, County Dublin, Ireland
“derivative”	includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying securities
“H1 2012 Results”	means Aer Lingus’ first half results report for the first six months ended 30 June 2012 of the 2012 financial year dated 31 July 2012
“IFRS”	means International Financial Reporting Standards
“Japan”	means Japan, its cities, territories and possessions
“Latest Practicable Date”	means 27 July 2012
“LTIP”	means Aer Lingus’ Long Term Incentive Plan
“Offer Document”	means the document issued by Ryanair on 17 July 2012
“Offer Period”	means the offer period for the purposes of the Takeover Rules, which commenced on 19 June 2012
“Panel”	means the Irish Takeover Panel
“Rothschild”	means N M Rothschild & Sons Limited
“Ryanair”	means Ryanair Holdings plc
“Ryanair Offer” or the “Offer”	means the offer announced by Ryanair on 19 June 2012
“South Africa”	means the Republic of South Africa, its provinces, possessions and territories, and all areas subject to its jurisdiction and any political subdivision thereof
“Takeover Rules”	means the Irish Takeover Panel Act, 1997, Takeover Rules 2007 and 2008
“United Kingdom” OR “UK”	means the United Kingdom of Great Britain and Northern Ireland
“US” or “USA” or “United States”	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

Appendix III

Glossary of technical terms

“EBITDAR”	means earnings before net exceptional items, interest, tax, depreciation, amortisation and aircraft operating lease rentals
“EV”	Adjusted enterprise value (“EV”) means market capitalisation plus net debt (cash less restricted cash, plus book value of short term and long term debt excluding deferred income) and adjusted for unfunded pension deficits (as per company annual reports) post tax, book value of minority interests, and capitalised leases at relevant years annual lease cost multiplied by eight times (based on Moody's Investors Service methodology for airlines)
“Gross Cash”	means loans and receivables, deposits and cash and cash equivalents
“Net Asset Value”	means the value of the company's total equity in the consolidated balance sheet

Appendix IV

Presentation of information, bases and sources

A. Forward-looking statements

Certain statements contained in this document constitute “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “forecasts”, “plans”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Aer Lingus or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In particular, certain statements in this document relating to future financial results, plans and expectations regarding Aer Lingus’ business, growth and profitability, as well as the general economic conditions to which Aer Lingus is exposed, are forward-looking in nature and may be affected by factors referred to in this document. It is strongly recommended that investors read all of this document for a more complete discussion of the factors which could affect the Group’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this document may not occur. Due to such uncertainties and risks, you should not place undue reliance on such forward-looking statements, which speak only as at the date of this document. The Company will not undertake any obligation to release publicly any revisions or updates to these forward looking statements to reflect events, circumstances, unanticipated events, new information or otherwise occurring after the date of this document except as required by law or by any appropriate regulatory authority.

B. Presentation of financial and operating information

Unless otherwise stated, the financial information concerning Aer Lingus has been extracted from the published interim and annual reports and accounts of Aer Lingus for the relevant periods and other information made publicly available by Aer Lingus. Financial information is reported under IFRS unless otherwise stated.

C. Third party sources

The Company confirms that the information in this document obtained from third party sources has been correctly and fairly reproduced. So far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company does not have access to the facts and assumptions underlying the data extracted from publicly available sources. As a result, the Company is unable to verify such.

D. Rounding

Percentages in certain tables in this document have been rounded and accordingly may not add up to 100%. Certain financial data has also been rounded. As a result of this rounding the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

E. Sources and bases

Unless otherwise stated, information regarding Ryanair’s offer is sourced from the Offer document and other material made publicly available by Ryanair or any other person mentioned in the Offer Document.

F. Page references

The relevant bases of calculation and sources of information are provided below in the order in which the relevant information appears in this document and by reference to page numbers of this document. Where such information is repeated in this document, the underlying bases and sources are not.

The relevant bases of calculation and sources of information are provided below in the order in which the relevant information appears in this document and by reference to page numbers of this document. Where such information is repeated in this document, the underlying bases and sources are not.

Page 3

1. Reference to Ryanair’s first Offer being prohibited on competition grounds sourced from the Commission Prohibition Decision, Commission Press Release 1P/07/893 and European Commission, Competition Policy Newsletter “Ryanair/Aer Lingus: Even “low-cost” monopolies can harm consumers”.

2. Reference to Aer Lingus' strategy as working based on growing passenger, revenue and profit figures since January 2010 and the implementation of Aer Lingus' "Greenfield" cost savings programme. This information is sourced from Aer Lingus' H1 2012 Results and Annual Report 2011.
3. Reference to Aer Lingus as a strong airline is based on its gross cash position of €1,049.9m as at 30 June 2012. This information is sourced from Aer Lingus' H1 2012 Results.
4. Reference to Aer Lingus as a profitable business is based on operating profits achieved by it, before net exceptional items, in the financial years ending 31 December 2010 and 2011 and operating profits, before net exceptional items, based on current trends continuing, expected for the year ending 31 December 2012. This information is sourced from Aer Lingus' Annual Reports 2010 and 2011 and its H1 2012 Results.
5. Reference to rejection of the Offer sourced from Aer Lingus' ISE announcement dated 18 July 2012.

Page 4

6. Reference to Ryanair's Offer of 19 June 2012 sourced from Ryanair's ISE announcement dated 19 June 2012.

Page 5

7. Reference to the extent of the route overlap between Ryanair and Aer Lingus as displayed on page 5 based on capacity (measured in terms of scheduled seats) and sourced from the Commission Prohibition Decision and Diio Mi as at July 2012. "Overlap Routes with no Other Operator" and "Combined Market Share on Overlap Routes" based on available capacity measured excluding charter airlines in line with Commission Prohibition Decision and now discontinued bmibaby services and minor services with less than 2% share.
8. Reference to Ryanair being willing in 2007 to give away many of Aer Lingus' slots at Heathrow Airport as a part of a remedy package is sourced from the Commission Prohibition Decision.
9. Reference to the UK Competition Commission continuing its investigation into the anti-competitive effects of Ryanair's stake and in co-operation with the European Commission sourced from the UK Competition Commission's press releases dated 18 June 2012 (<http://www.competition-commission.org.uk/media-centre/latest-news/2012/jun/cc-to-investigate-ryanair-stake>) and 18 July 2012 (http://www.competition-commission.org.uk/assets/competitioncommission/docs/2012/ryanair-aer-lingus/120718_ryanair_notice_of_extension.pdf) via its website and a letter from the UK Competition Commission dated 10 July 2012 to Aer Lingus and Ryanair informing them of its decision to continue its investigation and on the transcript of the Competition Appeal Tribunal hearing dated 16 July 2012.
10. Reference to Ryanair's ongoing attempts to stop both this investigation and the previous UK Office of Fair Trading investigation sourced from Ryanair's appeal applications to the UK Competition Appeal Tribunal (Case No: 1196/4/8/12) and (Case No: 1174/4/1/11).
11. Reference to the UK Competition Commission having the power to order Ryanair to sell-down its shareholding in Aer Lingus based on the powers of the UK Competition Commission under the Enterprise Act 2002.

Page 6

12. Reference to Aer Lingus having re-engineered its business model, focusing on yield management, imposing cost discipline and driving a recovery in profitability and performance based on paragraphs 4, 13 and 14 in this Appendix IV.
13. Reference to Aer Lingus' management team having delivered significant and successful change by repositioning its operating model to a demand led value carrier with cost efficient network extensions through business partners based on better matching of capacity to demand (involving reduction of long-haul capacity and reductions in capacity on over-served short-haul routes), a renewed focus on generating revenue per seat rather than simple maximisation of load factor as well as more emphasis on partnerships and connectivity, and sourced from Aer Lingus' 2011 Preliminary Results Announcement.
14. Reference to Aer Lingus transforming into a leaner and more efficient business based on growing passenger, revenue and profit figures since January 2010 and implementation of the "Greenfield" cost savings programme. This information is sourced from Aer Lingus' H1 2012 Results and Annual Report 2011.
15. Reference to the Greenfield programme saving of €95.8 million having been delivered and Aer Lingus being on track to achieve its targeted goals sourced from H1 2012 Results.

16. Reference to Aer Lingus' business being seasonal and typically loss making in the first half and profitable in the second half sourced from a comparison of Aer Lingus' H1 results and its Annual Reports in previous years.
17. Reference to Aer Lingus' financial performance figures for the 6 months ended 30 June 2012 and projected operating profit, before net exceptional items, for the 2012 financial year, based on current trends continuing, sourced from the H1 2012 Results.
18. Reference to Aer Lingus' management team having proven it can deliver in a difficult economic environment and Aer Lingus having a proven business model based on paragraphs 4 and 13 of this Appendix IV.

Page 7

19. Reference to Aer Lingus' strong balance sheet based on surplus of gross cash over debt. This information is sourced from Aer Lingus' H1 2012 Results and Annual Report 2011.
20. Reference to Aer Lingus having an internationally recognised brand sourced from Aer Lingus' Annual Report 2011.
21. Reference to Aer Lingus owning valuable assets, in addition to the balance sheet assets referred to, based on Aer Lingus' significant assets which are not recognised in its financial statements, including valuable slots at London Heathrow, New York JFK and Dublin airports as well as its internationally recognised brand. This information is sourced in Aer Lingus' Annual Report 2011.
22. Reference to Ryanair's Offer fundamentally undervaluing Aer Lingus and representing a significant discount to the intrinsic value of the business based on the per share discount that Ryanair's Offer represents to Aer Lingus' balance sheet gross cash, NAV and EV/EBITDAR multiple of Aer Lingus' peers (traded peers compared are Air France - KLM, easyJet, Flybe, IAG, Lufthansa and Ryanair). Reference to "per share" is based on a fully diluted issued share capital of 535,540,090 shares, including 534,040,090 ordinary shares in issue and 1,500,000 shares subject to options. Conditional awards over 9,017,971 ordinary shares under the LTIP, in relation to which the trustee of the LTIP does not hold shares for the purposes of satisfying any vesting of awards, have been excluded from the fully diluted issued share capital figure as it is not possible to calculate how many shares would vest on a change of control becoming effective.
23. Reference to "gross cash" is based on gross cash as taken from the 30 June 2012 balance sheet. This information is sourced in the H1 2012 Results.
24. Reference to "adjusted EV/EBITDAR multiple" has the same meaning given to it in Aer Lingus' ISE announcement "Reject Ryanair's offer" dated 18 July 2012, except using market capitalisations at 26 July 2012.
25. Reference to Ryanair's Offer attributing no value to the valuable slots held by Aer Lingus at London Heathrow, New York JFK and Dublin airports nor to the partnership and code sharing arrangements Aer Lingus enjoys with other airlines based on paragraph 21 and 22 of this Appendix IV.

Page 10

26. Reference to significant legal uncertainties surrounding any remedy package which Ryanair may offer to the European Commission is based on sections 60, 72 and 205 of the 1963 Act. Section 60 of the 1963 Act makes it unlawful for Ryanair to require Aer Lingus Limited (so long as Aer Lingus Group plc remains a public company, which it must if it has more than 99 shareholders) to give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with Ryanair's Offer. Section 72 of the 1963 Act provides that it shall not be lawful for a company limited by shares to reduce its share capital in any way without the approval of both the High Court and shareholders by way of a special resolution. Section 205 of the 1963 Act provides redress for any member of a company who can establish that the affairs of the company are being conducted or that the powers of the directors of the company are being exercised in a manner oppressive to him or any of the members (including himself), or in disregard of his or their interests as members
27. Reference to Aer Lingus' partnerships with other airlines contributing to an increase in inter-line passenger volumes of 13.9% in 2011 sourced from Aer Lingus' Annual Report 2011.

Appendix V

The profit forecast

In the absence of any unforeseen circumstances and on the basis of preparation and principal assumptions set out below the Directors make the following forecast of profitability for the year ending 31 December 2012 ("the Profit Forecast"):

- "If current trends continue, Aer Lingus' operating profit, before net exceptional items, for 2012 will be at least that achieved in 2011 (€49.1 million)"

This Profit Forecast contained in the H1 2012 Results and this document updates the statement made in the Company's interim management statement of 3 May 2012 that "If current trends continue, Aer Lingus' operating profit for 2012 should match that achieved in 2011".

Basis of preparation

The forecast has been prepared in accordance with the accounting policies used in Aer Lingus' interim report for the six months ended 30 June 2012.

Assumptions

The Profit Forecast is based on Aer Lingus' unaudited interim report for the six months ended 30 June 2012 together with the Aer Lingus Directors' forecast for the six months ending 31 December 2012.

The principal assumptions on which the Profit Forecast are based are set out below.

The assumptions that are outside of Aer Lingus' control are:

- There will be no material change in the rate of US\$ foreign exchange from the rate of €1 = US\$ 1.225 during the remainder of the year ending 31 December 2012
- There will be no changes in the political and/or macroeconomic environments or natural disasters, terrorism, extreme weather conditions, industrial disruption, civil disturbance or government action in the territories to which Aer Lingus operates that would materially affect Aer Lingus
- There will be no material change in current trading conditions during the remainder of the year ending 31 December 2012
- There will be no change in the current employee relations environment, in which Aer Lingus operates, that will materially affect Aer Lingus
- There will be no material change to the competitive environment across Aer Lingus' main routes leading to an adverse impact on consumer preferences or route yields
- There will be no material change in legislation or regulatory requirements impacting Aer Lingus' operations or its accounting policies
- Average unhedged fuel costs (representing six per cent. of the estimated fuel requirement in 2012) will remain at a level below US\$925 per tonne for the remainder of the year ending 2012.
- There will be no material change in the ownership of and control of Aer Lingus
- No new passenger taxes or changes to existing taxes with retrospective effect are assumed to materially affect any of Aer Lingus' routes for the remainder of the year ending 31 December 2012

The assumptions that are within Aer Lingus' control are:

- There will be no material further restructurings announced by Aer Lingus prior to 31 December 2012
- There will be no material acquisitions or disposals by Aer Lingus in the period which will impact the Profit Forecast
- Save as previously announced, no additional aircraft will join or leave the fleet in the period of the Profit Forecast
- The Profit Forecast is stated excluding exceptional items. For the avoidance of doubt, exceptional items include costs incurred in connection with the Offer



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United Kingdom

Rothschild
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St Swithin's Lane
London EC4N 8AL
United Kingdom

31 July 2012

Dear Sirs

Aer Lingus Group plc

We report on the profit forecast comprising the statement by Aer Lingus Group plc (the “**Company**”) and its subsidiaries (together the “**Group**”) for the year ending 31 December 2012 (the “**Profit Forecast**”). The Profit Forecast and the material assumptions upon which it is based, are set out on page 24 of the bid defence document issued by the Company dated 31 July 2012 (the “**Document**”).

This report is required by Rule 28.3(a) of the Irish Takeover Panel Act 1997 and Takeover Rules, 2007 (the “**Takeover Rules**”) and is given for the purpose of complying with that rule and for no other purpose. Accordingly, we assume no responsibility in respect of this report to Coinside Limited, a wholly owned subsidiary of Ryanair Holdings plc (the “**Offeror**”) or any other person connected to, or acting in concert with, the Offeror or to any other person who is seeking or may in future seek to acquire control of the Company (an “**Alternative Offeror**”) or to any other person connected to or acting in concert with an Alternative Offeror.

Responsibilities

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Profit Forecast in accordance with the requirements of the Takeover Rules.

It is our responsibility to form an opinion as required by Rule 28.3(a) of the Takeover Rules as to the proper compilation of the Profit Forecast and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under Rule 28.3(a) of the Takeover Rules to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 28.4 of the Takeover Rules, consenting to its inclusion in the Circular.

Basis of Preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated on page 24 of the Circular and is based on the unaudited management accounts for the six months ended 30 June 2012 and a forecast of the six months ending 31 December 2012. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Opinion

In our opinion, the Profit Forecast has been properly compiled on the basis of the assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

The Directors
Aer Lingus Group plc
Head Office Building
Dublin Airport
Co Dublin

31 July 2012

Dear Sirs,

We have discussed with you as Directors of Aer Lingus Group plc (the “**Company**”) the profit forecast comprising the statement by the Company and its subsidiaries for the year ending 31 December 2012 (the “**Profit Forecast**”).

We have also examined and discussed the accounting policies and basis of calculation for the Profit Forecast with PricewaterhouseCoopers, the Company’s auditors, and have considered their letter of today’s date addressed to yourselves and ourselves on this matter. You have confirmed to us that all information material to the Profit Forecast has been disclosed to us. We have relied on the accuracy and completeness of all such information and have assumed such accuracy and completeness for the purpose of rendering this letter.

On the basis of the foregoing, we consider that the Profit Forecast, for which you as Directors of the Company are solely responsible, has for the purposes of the Takeover Rules been compiled with due care and consideration.

This letter is provided to you solely in connection with Rule 28 of the Takeover Rules and for no other purpose. Accordingly, save for any responsibility we may have to the Company, to the fullest extent permitted by applicable law, we do not accept or assume any responsibility, and we exclude all liability, to any person.

Yours faithfully,

For and on behalf of

Goodbody Corporate Finance

Rothschild

UBS Limited

Appendix VI

Reports on interims and related profit reports

Appendix VI contains reports on Aer Lingus' interim financial statements for the six months ended 30 June, 2012 from PricewaterhouseCoopers (Aer Lingus' auditors) and Rothschild, Goodbody Corporate Finance and UBS Limited (Aer Lingus' financial advisors) in accordance with Rule 28.3 of the Irish Takeover Panel Act, 1997, Takeover Rules, 2007 (as amended).



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Independent review report to Aer Lingus Group plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the first half results report for the six months ended 30 June 2012, which comprises: condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of financial position, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows, and related notes.

We have read the other information contained in the first half results report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The first half results report is the responsibility of, and has been approved by, the directors of the Company (the "Directors"). The Directors are responsible for preparing the first half results report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this first half results report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the first half results report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of:

- The Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland; and
- To satisfy Rule 28.3(a) of the Irish Takeover Panel Act 1997 and Takeover Rules, 2007.

and for no other purpose. Accordingly, we assume no responsibility in respect of this report to Coinside Limited, a wholly owned subsidiary of Ryanair Holdings plc, (the "Offeror") or any other person connected to, or acting in concert with, the Offeror or to any other person who is seeking or may in future seek to acquire control of the Company (an "Alternative Offeror") or to any other person connected to or acting in concert with an Alternative Offeror.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the first half results report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

PricewaterhouseCoopers

Chartered Accountants
Dublin, Ireland
31 July 2012

The Directors
Aer Lingus Group plc
Head Office Building
Dublin Airport
Co Dublin

31 July 2012

Dear Sirs

Report by the financial advisers to Aer Lingus Group plc in connection with unaudited financial information for the six month period ended 30 June 2012.

We refer to the unaudited interim financial information contained within the announcement dated 31 July 2012 of the unaudited consolidated financial statements for Aer Lingus Group plc (the "Company") and its subsidiaries for the six month period ended 30 June 2012 (the "Interim Financial Information").

We have read the Interim Financial Information including the independent review report of the Interim Financial Information (the "Independent Review Report") prepared for the Company by PricewaterhouseCoopers LLP, auditors to the Company ("PwC"). You have confirmed to us that all information relevant to the preparation of the Interim Financial Information has been disclosed to us. We have discussed the Interim Financial Information and the Independent Review Report with you as the directors of the Company and with PwC. In so doing, we have, with your consent, relied upon the accuracy and completeness of all the financial and other information provided by, or on behalf of, the Company and/or discussed with us, and we have assumed such accuracy and completeness for the purposes of delivering this letter.

This letter is provided to you, in your capacity as directors of the Company, solely in connection with Rule 28.3(a) of the Irish Takeover Panel Act, 1997, Takeover Rules 2007 and for no other purpose.

On the basis of and subject to the foregoing, we consider that the Interim Financial Information, for which you in your capacity as directors of the Company are solely responsible, has been prepared by the Directors of the Company with due care and consideration.

Yours faithfully,

For and on behalf of

Goodbody Corporate Finance

Rothschild

UBS Limited

